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**STANDARD FUEL CO.
LIMITED**

AND ITS SUBSIDIARY COMPANIES



**THIRTY-EIGHTH ANNUAL REPORT
OF
THE BOARD OF DIRECTORS
FOR THE YEAR ENDED APRIL 30, 1966**



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THIRTY-EIGHTH ANNUAL REPORT
OF THE
BOARD OF DIRECTORS
OF
STANDARD FUEL CO. LIMITED

FOR THE YEAR ENDED
APRIL 30, 1966

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

IMPORTERS OF AND DEALERS IN

Fuel Oil

Bituminous Coal

—

Anthracite Coal

Industrial and Domestic

WHOLESALE AND RETAIL

SUBSIDIARY COMPANIES

The Milnes Coal Company, Limited

Milnes Fuel Oil Limited

Standard Fuels Limited

Consolidated Coal & Dock Co. Limited

STANDARD FUEL CO. LIMITED

Incorporated under the Companies Act, Canada

BOARD OF DIRECTORS

MR. J. HERBERT MILNES	- - - - -	Toronto, Ont.
MR. JOHN H. MILNES	- - - - -	Toronto, Ont.
MRS. R. S. WILLIAMS	- - - - -	Toronto, Ont.
MR. J. L. STEWART, Q.C.	- - - - -	Toronto, Ont.

OFFICERS

<i>President and Managing-Director</i>	- - - - -	MR. J. HERBERT MILNES
<i>Executive Vice-President</i>	- - - - -	MR. JOHN H. MILNES
<i>Secretary-Treasurer</i>	- - - - -	MR. C. W. SWASH

<i>Assistant General Manager, Fuel Oil Division</i>	-	MR. JAMES L. MORRISON
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HEAD OFFICE

1815 Yonge Street, Toronto 7, Ontario

TRANSFER AGENT

NATIONAL TRUST COMPANY, LIMITED, TORONTO, ONT. AND MONTREAL, P.Q.

REGISTRAR

EASTERN & CHARTERED TRUST COMPANY, TORONTO, ONT. AND MONTREAL, P.Q.

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

THIRTY-EIGHTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

To be submitted at the Annual Meeting of Shareholders to be held in Toronto on Tuesday, the 26th day of July, 1966 at the hour of 12 o'clock noon (Eastern Daylight Saving Time).

To the Shareholders of:

STANDARD FUEL CO. LIMITED

On behalf of the Board of Directors and Officers I present herewith the Consolidated Balance Sheet as at April 30, 1966, together with Consolidated Statement of Profit and Loss, and Consolidated Statement of Retained Earnings for the year ended that date.

Net Profit for the year amounted to \$90,035., this is an increase of 33% over the earnings of last year.

Earnings of the Fuel Oil division show an increase over the previous year.

During the 1965-1966 year a further 950 shares of your Company's 4½% Cumulative Redeemable Preferred Stock with a par value of \$47,500. were redeemed and cancelled. This transaction added \$6,646. to our Contributed Surplus.

After providing for the said Preferred Shares and for Capital Expenditures the net Working Capital of your Company shows an increase over last year.

I regret to report the recent death of Miss Kathleen Hall who served the Company loyally for 46 years and was Office Manager at the time of her passing.

Your Directors again have pleasure extending their thanks and appreciation to all the employees of the several Companies.

All of which is respectfully submitted.

Toronto, Canada, June 30, 1966.

J. HERBERT MILNES,
President.

STANDARD FUEL CO.

and its Subsidiary

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks, including \$396,378 Short Term Investments.....	\$1,065,782
Accounts Receivable, less allowance for doubtful accounts	411,878
Inventories of coal, coke and fuel oil at the lower of cost or market.....	245,349
Prepaid Expenses.....	16,126

Total Current Assets.....	\$1,739,135
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MORTGAGE RECEIVABLE.....	6,000
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PROPERTIES

Land, Buildings and Equipment as appraised by Dominion Appraisal Company, Limited, by appraisals dated June 15, 1928, and December 21, 1928, on the basis of depreciated values on such respective dates plus subsequent additions at cost.

Land.....	\$ 169,199
Buildings and Equipment.....	\$1,216,421
Less: Accumulated Depreciation.....	913,528

Total Properties.....	472,092
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GOODWILL.....	1
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TOTAL ASSETS.....	<u>\$2,217,228</u>
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Approved on behalf of the Board

J. HERBERT MILNES	}	Directors.
JOHN H. MILNES		

Auditors'

To the Shareholders of
STANDARD FUEL CO. LIMITED

We have examined the Consolidated Balance Sheet of Standard Fuel Co. Limited, and Loss and Retained Earnings for the year ended on that date. Our examination included a supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Consolidated Balance Sheet and Consolidated the companies as at April 30, 1966 and the results of their operations for the year ended on that with that of the preceding year.

Toronto, Canada, June 27, 1966.

CO. LIMITED

Companies

— April 30, 1966

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Charges.....	\$ 96,667
Uncashed Cheques.....	35,747
Income Taxes Payable.....	46,640

Total Current Liabilities..... \$ 179,054

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized:

40,000 4½% Cumulative Redeemable Preferred
Shares, Par Value of \$50.00 each less 10,071
shares redeemed.

50,000 Common Shares without Nominal or Par Value.
Issued and Fully Paid—

9,929 Preferred Shares..... \$ 496,450

50,000 Common Shares..... 200,000

Total Capital Stock..... \$ 696,450

CONTRIBUTED SURPLUS

Arising from Redemption of Preferred
Shares..... \$ 84,396

RESERVE FOR CONTINGENCIES..... 100,000

RETAINED EARNINGS—Statement 2..... 1,157,328 1,341,724

TOTAL SHAREHOLDERS' EQUITY..... 2,038,174

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$2,217,228

This is the Balance Sheet referred to in our Report dated June 27, 1966.

VICEON, NEWTON & COMPANY
Chartered Accountants

Report

Subsidiary Companies, as at April 30, 1966 and the Consolidated Statements of Profit and
General review of the accounting procedures and such tests of accounting records and other

Statements of Profit and Loss and Retained Earnings present fairly the financial position of
the, in accordance with generally accepted accounting principles, applied on a basis consistent

VICEON, NEWTON & COMPANY
Chartered Accountants

STANDARD FUEL CO. LIMITED
and its Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended April 30, 1966

TOTAL SALES.....		\$2,343,996
<i>Less: Cost of Sales and Operating Expenses.....</i>		<u>2,114,538</u>
NET PROFIT FROM OPERATIONS BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAX.....	\$	229,458
<i>Add: Income from Investments.....</i>		<u>33,916</u>
NET PROFIT BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAX.....	\$	263,374
<i>Less: Directors' Remuneration.....</i>	\$	44,750
<i>Depreciation of Building and Equipment.....</i>		<u>32,134</u>
		<u>76,884</u>
NET PROFIT BEFORE INCOME TAXES.....	\$	186,490
Income Taxes.....		<u>96,454</u>
NET PROFIT FOR THE YEAR.....	\$	<u><u>90,036</u></u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Balance, April 30, 1965.....	\$1,091,469
<i>Add: Net Profit for the Year.....</i>	<u>90,036</u>
	\$1,181,505
<i>Deduct: Dividends on Preferred Shares.....</i>	<u>24,177</u>
Balance, April 30, 1966.....	<u><u>\$1,157,328</u></u>



